

Child Financial Exploitation

There is growing evidence that children are being financially exploited at huge cost to their lives. However this harm is often overlooked and misunderstood. When these children are only seen as committing fraud, they are often punished rather than protected, placing them at greater risk.

At The Children's Society, we are working to shine a light on this issue and aim to better equip both professionals and the public to spot the signs of child financial exploitation; so that we can all better identify these children and protect them from further harm.

What is Child Financial Exploitation?

Children and young people can be financially exploited in a range of ways. While there are many positive aspects of online life, the emergence of internet banking, online gaming, technological advancements, and social media has created new spaces and opportunities for perpetrators to target and exploit children for financial gain.

While child financial exploitation can take many forms, for the purposes of this document, we refer to the practice of using a child's bank accounts (or online wallets) to hold, transfer or hide funds or assets for the purposes of exploitation. These funds are often the direct proceeds of crime.

The grooming of these victims follows a familiar pattern to other forms of child exploitation. They are **targeted** by perpetrators, often online through social media adverts of 'easy cash', and then **groomed** through promises of payment or gifts, including cryptocurrency, online gaming credits or 'skins'. As well as being used as bait to establish an emotional or monetary debt, exploiters often use these small gifts as a gateway to further exploitation.

Reframing the term 'money mule' to 'child financial exploitation'

Agencies often refer to young people who are being financially exploited as 'money mules'. The term 'money mules' is problematic because it is essentially describing children as animals, namely mules and donkeys. **Dehumanising language is never advisable** and risks reinforcing negative narrative and stereotypes of child victims as offenders. The term 'money mule' is also unhelpful because it focuses the conversation entirely on the person's actions – in this case fraudulent bank activity – and ignores the complexity of the situation and the child's exploitation while implying consent and agency.

In the same way that describing a criminally exploited young person groomed into county lines as a 'drug dealer' is unhelpful, so it the user of the term 'money mules' in this context.

Children may be **tested** through being told to make small transactions which can then lead to requests to hold or 'clean' large quantities of money. The child becomes complicit in fraud and money laundering, often without realising these are criminal funds. The child can then experience further threats and blackmailing from their exploiters.

Eventually, children are **trapped** in debt bondage and potential poverty through funds being confiscated and accounts being shut down, leaving the child more vulnerable. Exploiters will then capitalise on this and may use the situation to coerce the child into other forms of exploitation and abuse.

Children of all genders may be coerced to share indecent images, while others are filmed while being forced to commit sexual or criminal acts. Perpetrators in possession of such material then use it to threaten and blackmail children for financial gain.

What is the impact on children and young people?

Children who are financially exploited may be subjected to terrifying threats, violence, and sexual abuse. This can put them in danger and cause long lasting trauma. As with other forms of criminal exploitation, all the risk and danger falls onto the young person, with their perpetrators shielded from harm, unless agencies work together to safeguard these children while targeting the real criminals profiting from their abuse.

Taking a fraud focused, punitive approach to children experiencing financial exploitation can have severe and long-term consequences.

These include:

- Bank accounts being shut down or suspended placing children and families at increased risk and in situations of financial hardship.
- Children facing up to 14 years in prison.
- Detrimental impact on children's future employment, ability to earn and save money, access housing and education.
- The above measures can leave a child at an increased risk of further exploitation.

What can you do about it?

- Be professionally curious and consider **all forms of exploitation** when observing indicators. Child financial exploitation may often be overlooked because it appears more 'subtle' than other forms of exploitation. The small transactions may seem 'unimportant', so are often not reported or taken seriously.

- Listen out for slang terms that children or others might use. Terms such as **squaring** or **deets** are often used to describe a child's bank account being used to hold or 'clean' money from criminal activity.
- Ensure you respond to signs of child financial exploitation as a safeguarding concern, recognising it as exploitation and abuse. **Always report your concerns and follow your usual safeguarding policy.**
- If a child is in immediate danger, contact 999 or 101 in a non-emergency.
- **Escalate concerns** if you feel they are not being taken seriously or receiving an appropriate safeguarding response from the relevant statutory agency.
- Share any **information or intelligence** you obtain about the ways in which children are being groomed and financially exploited. For example, children talking about 'adverts' on social media promoting 'easy cash' or gifts they have been bought online.
- Be mindful of the language you are using when sharing intelligence. It is common for reports that include online spaces to have the names of these spaces spelt incorrectly. Sometimes, reports simply say 'online' or 'on an app'. **For us to understand the true nature of harms, grooming and exploitation in online spaces, we need reports to be written with as much knowledge of the online platforms as possible.**
- Use appropriate language to reframe the issue from one of fraud, criminality, and choice, to one of exploitation and abuse. This shift in language encourages appropriate safeguarding interventions which lead to improved support and outcomes for children.
- Be a part of the conversation. Learn more about CFE and talk about it with colleagues, what are they seeing in practice? Share this learning with partners outside your organisation wherever possible.